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IMPROVEMENT OF FINANCIAL CONTROL OF ECONOMIC ENTITIES AND THEIR MANAGEMENT SYSTEM

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Abstract:

This article extensively covers the issues of financial control of business entities and improving their management system. Also, the need for financial control of enterprises is scientifically substantiated. In addition, models for radically improving the financial control of business entities and their management system are analyzed. In addition, conclusions and proposals are developed on improving the financial control of business entities and their management system.

Keywords: *financial control, startups, innovation, business models, management system*

INTRODUCTION

Improving the redistribution processes in the activities of the multi-level budget system and non-budget funds is inextricably linked to the following areas of further strengthening the financial potential and increasing the state's financial resources:

• increasing the efficiency of redistribution of revenues in the budget and tax sphere. This is associated with the implementation of an effective fiscal policy by the state. This policy, in turn, should provide for the stimulation of production growth and the growth of financial resources of private enterprises directed to investments;

• optimizing the redistribution of monetary resources through the banking and credit sector. The main economic instruments and mechanisms for this can be considered the following: credit policy; the ratio of the volume of long, medium and short-term loans; the Central Bank's discount rate; the rate of interest on loans and deposits; the securities market. The targeted regulation of the economy by the state using these instruments and mechanisms expands the investment opportunities of the state, private enterprises, and attracts the population's savings to investments;

• the rapid development of private enterprises, which forms a new productive economy - a knowledge economy, the distinctive feature of which is the rapid development of intellectual infrastructure. The core of the country's competitive economy should be formed by new industries that produce high added value and highly processed products. The dominance of the raw materials and energy sector in the structural structure of the economy, the relatively large share of the fuel and energy complex in industrial production, consolidated and republican budget revenues, exports and foreign exchange earnings indicate a deformation of the economy in the direction. Such structural inconsistency of the national economy leads the economy to backwardness, complicates the tasks of its modernization. In this regard, the issue of developing effective mechanisms to ensure the flow of capital from raw materials industries to high-tech production has become urgent, which will ultimately increase the financial potential of the state.

• The level of financial potential of SOEs depends on their effective investment and entrepreneurial activity. The modern changing (dynamic) economic environment requires constant scientific and technical renewal and development of production based on own and attracted investment sources, including foreign capital. Currently, a specific factor in ensuring the financial stability and competitiveness of manufacturing companies is their integration into large business systems (financial and industrial groups, concerns, conglomerates, holdings, consortiums, etc.).

A real merger of banking and industrial capital and the formation of impressive financial capital is taking place. As a result, the synergy effect of increased production scale, the interaction of economic structures, and the growth of investments allow companies to solve large-scale financial problems.

LITERATURE REVIEW

The capitalization process should be based on the intellectualization of the capital form, which is invested in advanced innovative means of production and technologies, reflecting the materialization of scientific achievements in production. In order to more quickly enter the system of effective market interactions, which introduces new quality requirements in their activities, it is advisable for SOEs to develop a sound program of financial reform. In this case, a special place should be given to achieving high final financial indicators as a result of all economic and production activities. At the same time, such a program includes a system of

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measures to increase the efficiency of SOEs based on the use of market factors and conditions of economic growth, as well as the implementation of modern trends in innovative development. The financial resources of the enterprise may include own and borrowed funds. In terms of reproduction, the circular turnover of fixed capital provides for the accumulation of depreciation funds in the depreciation fund for the replacement (renewal) of consumed fixed assets.

During the reporting period, depreciation allowances for fixed assets are calculated monthly, regardless of the calculation methods used. Even in seasonal production, the annual amount of depreciation allowances for fixed assets is calculated evenly throughout the organization's operating period in the reporting year. If fixed assets are undergoing reconstruction and modernization, or if they are transferred for conservation for a period of more than three months, in such cases, the calculation of depreciation allowances may be suspended in accordance with the decision of the head of the organization. Depreciable assets are grouped into specific depreciation groups depending on their useful lives. The first group includes assets with a useful life of 1 to 2 years, while the last group includes assets with a useful life of more than 30 years.

RESEARCH METHODOLOGY

The classification of fixed assets to be included in depreciation groups is determined by the government of each country.

For types of fixed assets for which depreciation groups are not specified, their useful lives are established by the taxpayer himself in accordance with the recommendations and technical conditions of the organizations that prepared them.

Currently, two main methods of calculating depreciation allowances are used in practice:

- linear;
- nonlinear.

The linear method of calculating depreciation allowances is used for buildings, structures, and transmission facilities, regardless of the terms of their commissioning. One of the above two methods of calculating depreciation amounts can be used for other fixed assets. With the help of price, the volume of resources used by the supplier and consumer is expressed, they are provided with one resource, and at the same time receive another resource, as a result of which the usefulness of the resources increases. Thus, price is the amount of resources that a person must give in order to obtain the desired product or service. This is the model that ensures the approximation of price to socially necessary labor costs. The price, created on the basis of the above-described circumstances, performs its functions well in a market economy. First of all, with the help of price, the value of all goods or units of goods in units of volume, piece and weight is measured in monetary units. The existence of a monetary equivalent allows price to act as an expression or measure of the value of goods in quantitative and quantitative forms. At the same time, price is also a measure of various commodity values expressed in money. In this capacity, the price is considered one of the most important indicators of general economic efficiency, serves as a reference point for making economic decisions, an important tool for forecasting. All of the above indicates the measurement function of the price. In a certain sense, the accounting and control function of the price is a kind of "neighbor" of its measurement function and is partially included in it. The price, by converting the material and material dimensions of national wealth into value and, therefore, financial dimensions, serves as an instrument for accounting and control over the storage, accumulation and movement of value in citizens, their families, enterprises, sectors, in the economy as a whole, in the village, city, district, region and country. The distribution function of the price is characterized by its ability to differ from value.

For example, high prices for passenger cars allow the redistribution of funds of certain segments of the population to meet social needs. Low prices for certain goods (for example, goods intended for children and the elderly) lead to the redistribution of funds in favor of such buyers (consumers). In the current environment, one of the most rational approaches to pricing is active pricing. It involves setting prices in order to achieve the most profitable production volume, average production costs and target levels of operating profitability within the framework of the sales management policy. By managing prices, the required volume of sales and the corresponding average costs are achieved, which ultimately leads the company to the intended level of operating profitability. Such an approach to solving the problem allows you to avoid the "sick" point of the cost pricing method - setting too high prices in "weak" markets (markets with deteriorating conditions) or too low prices in "strong" markets (markets with growing demand). It is not easy to abandon the cost pricing method. Because this requires managers of SMEs to determine their pricing positions before investments in new product development begin. This requires a complete change in the algorithm for creating new products, switching to a more expensive approach to pricing. The variety of financing forms may vary. However, they should be sufficient to ensure revenue and basic expenses. In many cases, project developers try to reduce the cost of the project in order to make it

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more attractive to investors and creditors. In this regard, the task of a financial expert is to determine the real need for a project or company in capital. Therefore, a large number of methods for the economic assessment of investment investments have been developed in financial analysis, each of which, in turn, has its advantages and disadvantages. This system of indicators includes:

• NVP - net present value of capital investments;
• IRR - internal rate of return;
• payback period. The net present value (NVP) of capital investments is calculated in the classical version (with many modifications) as the sum of discounted net cash costs and receipts.

CONCLUSION

A positive NVP indicates that the return on an investment project is higher than a certain discount rate. The disadvantage of NVP is determined by the conditionality of the calculation of the discount rate.

It is considered profitable for the investor to invest in this project rather than in another. In this case, the size of NVP is sensitive to a small change in the discount rate.

The calculation of NVP serves as a benchmark for assessing the feasibility of an investment project for innovative modernization of production to a certain extent.

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